



City of Newport Beach

OFFICE OF THE CITY MANAGER
Dave Kiff, City Manager

October 2013

Dear Resident:

In this newsletter, I'll cover a few topics that are getting some attention.

Residential Refuse Collection

Our municipal employees pick up residential trash in most areas of Newport Beach. Ours is the last city in Orange County to literally collect trash by hand. Our employees will pick up almost anything – whether in a can or bag or stacked by the curb – and they do so with a smile. The service is terrific and some residents wonder why we would even consider automating it or outsourcing it to a private company. They ask me, “If it isn’t broken, why fix it?”

It’s not the customer service that’s broken, nor the trash collectors’ spirit. There are, however, some broken, or breaking, aspects to the current system. Thanks to manual collection, injuries have affected the crew 25 separate times over the last three years, totaling 678 lost work hours and leading to over \$350,000 in claims’ costs. The Refuse Division ranks third in total cost for the City’s worker’s compensation claims, behind only Police and Fire (yet Police and Fire have many more employees).

Our equipment is about at the breaking point. Yes, we can replace it, but we need to decide now on whether we should have automated service or the same manual service. Of our 15 trucks, 10 need to be replaced at a cost of about \$250,000 each. Aside from being old, the trucks are now required to be fueled by Compressed Natural Gas to meet air quality standards.

We’re also at a cross roads in terms of staffing. Just a few years ago, we had 25 Refuse Division employees. Due to retirements, internal transfers and resignations, today we have 15. Two employees are out on injury leave and one was re-assigned to trash from another field job. We’re supplementing work with temporary employees to keep from overworking the remaining staff. Ten of the 15 employees will be retirement-eligible within just three years. Clearly, the faces of our refuse staff are changing and will continue to do so.

Pension costs continue to rise. I recently shared with the City Council and the public some important facts about the City’s pension obligation. Just a few years ago, about six percent of the City’s General Fund Budget (our operating budget) went toward retirement costs. Today, it’s about 14 percent. If we don’t make a course correction, those pension costs could rise to be 19 percent of our total budget by 2020. Our employees (all of us, including me) are paying for some of this – over \$6 million in 2014 - but the overall cost trend will continue to rise through 2039. We need to exact savings in operations wherever possible to lessen current and future pension obligations, as long as we can find quality service.

The savings achieved by outsourcing would be significant. A contract with the lowest bidder is estimated to bring \$17 million in savings across seven years, including some one-time savings. It would bring \$1.6 million per year in operational cost reductions and generate revenue through a lease of the City's transfer station.

I completely “get” that we should not outsource a service and settle for something less. This is a service that the private sector has proven it can do very well. There are strong, local companies who know good customer service. In fact, they do residential trash collection quite well in our own community. Private companies serve Newport Coast, Crystal Cove, Bonita Canyon, and more. Thus, we have experience working with each of the lowest bidders and know the kind of service they provide.

Please know that the level of service provided here would be higher than the service provided in some other cities. We have the ability to do that in our contract by setting forth a service level that other cities might not be willing to pay for. I call it “Newport Automated.”

1. You could choose the number of carts you need.
2. You could choose any sized cart (35-gallon, 65-gallon, 95-gallon – by the way, the dimension of the smallest 35-gallon cart is smaller than a hardware store can in width and depth).
3. The City would pay for all of your carts.
4. Bags and larger items placed beside the carts or curbside would still be collected.
5. For those that want to, you could choose to separate recyclables. If so, we would give you a separate cart for this (small, medium, or large at no cost to you).

“Newport Automated” also means that the standard truck with the side collection “arm” may not work everywhere in town. In some parts of the city, you would see a much smaller truck, with a “flipper” on the back that flips the can into the back instead of lifting it over the truck's top after the refuse worker rolls the cart to the back of the truck. One of the proposed vendors, CR&R, is currently using this same system in Avalon where the streets are narrow and the topography is challenging. Another private trash collector serves the tight corners, steep slopes, and narrow streets and alleys of Laguna Beach – all with an automated arm.

Finally, each of our Refuse Division employees will still have a good job at the end of this process. Some could choose to work for whatever private company is selected, some could choose to exercise their retirement rights, and some could choose to stay with the City and be transferred internally to a new job. They have all been assured that we will find a place for them, at the same salary they receive today, here at the City. I am proud of the employees and the City Council for coming to this agreement.

So when would all of this happen? I expect to return to the City Council in November with a contract for its consideration. If the Council approves, I expect the transition to automated service could take 10-14 months before it is fully implemented.

If you have any questions about this process, please email us at questions@newportbeachca.gov or call 949-644-3030. More information about the process can be found on our website at www.newportbeachca.gov/residentialrefuse.

Updating the General Plan's Land Use Element

In the coming months, you will hear and see more about a proposal to update the Land Use Element of the City's General Plan. The General Plan, aspects of which went to the voters in 2006, gives a guiding and enforceable vision for the community's future. Nearly eight years have passed and aspects of it are worth reviewing again, such as whether all of the granted entitlement in the Newport Coast will ever be used. And, whether Newport Center is an appropriate place for more residential units due to its proximity to jobs, transit and shopping.

The recommendations of a citizen-based committee will come before the community and City Council during the next few months. Several more hearings and an environmental analysis will follow. If all of the work is completed next summer, the matter would go before the voters on the November 2014 ballot. Please visit www.newportbeachca.gov/landuseelement for more information.

Bike Master Plan

An exciting effort is underway now to develop a detailed Bike Master Plan for Newport Beach. This plan will assist us in improving safety and ease of transit for all types of cyclists – from the most avid to the casual cyclist. It will also help to identify areas where safety can be improved, as well as assist us in educating both drivers and cyclists about the rules of the road. The plan will also help us improve amenities for cyclists and pedestrians, to make our community a more welcoming, more convenient place to choose a bike for short trips instead of a car. That helps all of us, whether you're a cyclist or not. If you'd like to learn more about the Bike Master Plan, please visit www.newportbeachca.gov/bicyclemasterplan.

Marina Park Construction Starting

The long-awaited park, sailing center, and community center along the bay front between 15th Street and 18th Street finally got a formal permit from the California Coastal Commission. Back in 2007, we reached an agreement with the mobile home park residents to compensate them for their homes and allow them to stay there until the City is ready to start construction. About 50 homes will be displaced by the new park. Following three months' notice to the mobile home park residents, park construction is expected to begin in December. Please visit www.newportbeachca.gov/marinapark to learn more about the project.

Construction Project Prime Time - OCSD Sewer Rehab Projects

Many of you have noticed the large construction project along Dover Drive, between Irvine Avenue and Pacific Coast Highway (PCH). That's an Orange County Sanitation District (OCSD) project to replace an existing sewer line with a larger sewer line. Construction started near Mariners Drive in July and the contractor moved to the next phase of the project after Labor Day. Recently, they have worked at the intersection of PCH and Dover Drive. To help minimize traffic impacts, they are doing some night work from Sunday through Thursday, 7:30 p.m. until 6 a.m. This will continue until early November. OCSD anticipates the work along the rest of Dover Drive will continue until Fall 2014.

Next, OCSD will begin the Balboa Boulevard Trunk Sewer Project in mid-October. The work involves rehabilitating the existing sewer along Newport Boulevard and Balboa Boulevard between A Street and Finley Street. It's another big project and our staff is working closely with OCSD and its contractor to schedule the work in a way that is the least impactful as possible to things like the Christmas Boat Parade, warm weather traffic, etc. This project is expected to take about eight months to complete.

These are just two of the five sewer line construction projects that OCSD plans to undertake in Newport Beach over a five-year period. OCSD understands there will be associated impacts to our community and they have a lot of information online at www.ocsewers.com/residents/newport-beach-program and a dedicated community liaison to help address your questions and concerns. The liaison can be reached by calling (714) 679-2088 or emailing constructionhotline@ocsd.com.

Corona del Mar Water Pipeline Project Continues

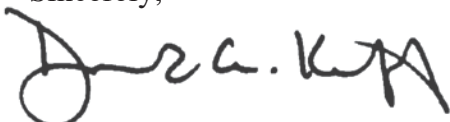
The City's \$4.5-million project to install new, larger water pipelines in Corona del Mar will improve water supply in that area of town. The construction is occurring in three phases.

The first phase began in June near Pacific View Drive and San Miguel Drive. Phase two started in September, near the intersection of Carnation Avenue and Coast Highway. To limit traffic impacts, the pipeline across Coast Highway was tunneled. This, however, required closing Carnation Avenue to traffic during the tunneling work. The good news is that we were actually done with this portion of the work two weeks early! Next, the contractor will install the pipeline in northbound MacArthur Boulevard from Coast Highway to San Miguel. The free-right turn from westbound Coast Highway to MacArthur will remain closed through October - until the construction work is far enough away from the intersection. The pipeline will connect to where the first phase left off at San Miguel by the end of November or early December.

The final phase will bring the project back to Carnation Avenue from Bayside Drive to 4th Avenue along with some areas of Dahlia and along westbound East Coast Highway. Everything should be completed by March 2014. For the latest project information, visit www.newportbeachca.gov/cdmpipeline.

As always, thank you for reading this newsletter. To those who take additional time to respond with a question or comment, I always appreciate hearing from you. Whether you are encouraging us to stay the course on an issue or challenging us to rethink our approach to another, I've found those exchanges to be engaging and thoughtful. Please don't hesitate to reach out if there is something about your city that you want to discuss or share with me.

Sincerely,



Dave Kiff

City Manager

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